

Chief, Special Support Staff

22 June 1950

Acting Executive

Accounting for Auto Proceeds (Audit Memorandum No. 398, dated 7 Apr 1949)

References: a. Audit Branch Memorandum, IASS, subject as above, dated 7 April 1949.

- b. Memorandum from Finance Division, SSS, to Budget Officer, subject as above, dated 19 May 1950.
- c. Memorandum from Budget Officer to Acting Executive, subject as above, dated 7 June 1950.
- d. Memorandum from Legal Staff to Acting Executive, subject as above, dated 16 June 1950.

1. The comments by the Budget Officer on Reference (a) are quoted below:

"2. In view of the fact that the purchase and sale transaction evidenced by the above summary and audit exception No. 398 have already been consummated and since there appears to have been no violation of law or decision of the Comptroller General other than those of a purely technical accounting nature, it appears advisable that the amount of the gross proceeds already used for the purchase of automobiles be permitted to remain on the books in their present form. Arrangements are being made whereby an acceptable procedure can be placed into effect for the 1951 fiscal year. These plans will be initiated for approval at an early date.

"3. It is the recommendation of this office that the amount of \$71,428.88 be taken from the existing working capital funds and/or reserve and deposited with the Treasury Department as miscellaneous receipts. It is believed that this course of action will preclude the possibility of any criticism in the event of a subsequent review of the transaction and will be complying in spirit with the intent of the law and regulations governing this subject."

2. The solution proposed by the above quoted comments is approved.

3. Immediate action will be taken to assure that proper legal proceedings are followed in the accounting for proceeds from automobile sales beginning 1 July 1950.

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FOR THE DIRECTOR OF CENTRAL INTELLIGENCE

Attachments: Ref a,b,c,d

Copy to: Budget Officer

Ch, IASS

General Counsel

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Acting Executive

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